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In response to a request from Representative Curry, Chairman of the House Committee on the Territories, Henry C. Wallace, Secretary of Agriculture, has sent the following letter commenting on the bill which proposes to create an Alaskan Development Board:

May 14, 1921.

Hon. C. F. Curry,
Chairman, Committee on the Territories,
House of Representatives.

Dear Mr. Curry:

I have your letter inviting my consideration of H. R. 5694, a measure which provides for the creation of an Alaskan Development Board to take over the activities now carried on in Alaska by the Department of Agriculture, the Department of Commerce, the Federal Water Power Commission, and, to a large extent, the Department of the Interior.

Apparently the enactment of this measure would evict from Alaska these departments of the Federal Government and set up there a form of administration wholly different from anything we have ever had before in any State or Territory. As Alaska includes more than one-sixth of the total area of the United States with vast natural resources, this unique proposal challenges attention.

The proposed Alaskan Development Board would have control over the national forests, water powers, bird reservations, agricultural experiment stations, fisheries, game and fur-bearing animals, and the unreserved public lands of the Territory. It would have sweeping authority. While it is "established in the Department of the Interior," it seems to be quite independent of that department and its executive head except that the Secretary of the Interior would have some measure of control as to the organization work of the Board and as to some of its decisions. This latter control, however, is slight.

For example, if the proposed Board should refuse to grant or renew any application, entry, patent, lease, permit, license, or other privilege, the applicant is given the right to appeal to the Secretary of the Interior within sixty days; but if, on the other hand, the Board should grant the application, that would end the matter. To illustrate, if some one should apply to the Board to purchase all of the timber in Alaska at ten cents a thousand feet and if the Board should reject this application, then the applicant would have the right to appeal to the Secretary of the Interior. But if, instead of rejecting the application, the Board should grant it, then it would seem that no appeal could be considered even though it might be made by all of the public spirited citizens of the Territory. This is an extreme illustration, but it reveals the sweeping authority which it is proposed to grant to this Board.

Even the President could not disturb the Board except for neglect of duty or malfeasance in office, and Congress itself would have over it only such control as it might exercise by withholding appropriations or by repealing the law.

In effect, this measure proposes to set up a branch Federal Government having jurisdiction over certain properties and functions in the Territory of Alaska, making it practically independent of the Federal authority at Washington. Although it would consist chiefly of members appointed by the President, the majority would not be subject to his control even in matters of national policy or (as in their administration of the Migratory Bird Act) in matters which concern treaty rights and involve questions of foreign policy. The degree of its independence of the President is indicated by the rather extraordinary proviso that the Board shall submit an annual message to Congress "recommending such legislation as it may deem advisable."

The Department of Agriculture has for very many years carried on certain activities in Alaska. The Weather Bureau has nine stations there. The Biological Survey has four stations for the purpose of looking after the reindeer and land fur-bearing animals. The Forest Service has charge of the national forests. The Bureau of Roads has charge of forest road construction under the Federal Aid Act. The States Relations Service has five agricultural experiment stations at different points in the Territory. The Bureau of Markets, while maintaining no representative there, gathers certain statistics. Under this measure all of these activities would be discontinued.

Our most important work there is in connection with the forests.

There are in Alaska some 20,000,000 acres of national forests, created between 1902 and 1908. Up to the present time these forests have not been utilized extensively because of the distance from market and the relatively small local demand for lumber. In 1906 the lumber shipped into Alaska composed 86 per cent of the total lumber used there, and but 14 per cent was cut from the national forests. In 1919 these percentages were exactly reversed, 86 per cent of the lumber used in Alaska being produced locally and but 14 per cent imported, this latter being chiefly Douglas fir for special construction purposes.

We have in Alaska the opportunity to create a second Norway. Under intelligent management these forests can be made to produce for all time to come a quantity of paper equivalent to one-third of the present annual requirements of the United States. When we note what has happened in the past to our great forests not under Government control, surely the importance of retaining control of these national forests in Alaska and of maintaining them on a safe producing basis must be evident. The time is not far distant when the increasing scarcity of lumber and of paper and the consequent high prices will make it necessary for us to draw heavily upon our national forests in Alaska. If we are to profit from past experience we must not permit them to be exploited but rather so administer them as to maintain their production.

These national forests have been and are being administered on a basis of national and local cooperation, with constant study of development and use. The plan worked out by the department is being accepted as fair by a number of substantial business interests engaged in the manufacture of paper. In January last a small pulp plant began operation in Alaska under a national forest purchase. Two large tracts of timber are now being advertised for sale upon application from interests which contemplate the building of complete news print paper mills. Other applications are pending, and there seems a fair prospect that the paper industry will be established in Alaska just as rapidly as market and transportation conditions justify. The purpose is to put the making of paper in Alaska on a sound and continuing basis, developing a perpetual industry by limiting manufacturing capacity to the raw material which the forest will continue to produce.

A good deal has been said concerning the declining population in Alaska. It is interesting to note that while other parts of Alaska have been going backward and losing in population, that part

of the Territory embraced in the national forests has increased steadily in population and prosperity.

Surely it would be most unwise and greatly against public interest if we should now scrap all the work which has been done by the Federal Government with these forests in Alaska, withdraw from the Territory, and turn over the forests to a local board to do with them as it might see fit.

While the agriculture of Alaska is as yet largely undeveloped, the work which has been done there at the experiment stations maintained and directed by the Department of Agriculture has been most helpful. It is the sort of work which must be continued if Alaskan agriculture is to be developed upon a basis which will maintain the population as its industries are developed; otherwise the cost of imported food will be so high as to retard greatly industrial development. The withdrawal of the Department of Agriculture from this field of work certainly would be greatly to the disadvantage of the people of Alaska.

Not long since, Congress created the Federal Power Commission, which is composed of the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture. This was the result of ten or twelve years of nation-wide controversy over Federal hydro-electric power legislation. After long debate it was finally agreed that uniformity of policy and action was essential to the sound and prompt development of our water powers. This Federal Power Commission is just now getting established, and it is reasonable to expect that under its administration the development of water power throughout the Nation will be promoted on sound economic lines. This is a matter of great importance to Alaska. As I have pointed out, the manufacture of paper is likely to be one of the dominant industries in that Territory. A large supply of timber and an abundant supply of water power are essential to that industry. The erection of pulp mills and the development of hidro-electric power in southeastern Alaska will go hand in hand. Therefore, it would be most unfortunate if that Territory should be deprived of the services of the Federal Power Commission, and the power resources of Alaska placed in the hands of such a board as it is now proposed to create and deprived of the help of all the governmental organizations from which otherwise it might secure technical assistance and advice.

There seems to be a feeling that development in Alaska has been retarded through restrictive Federal control. Her decrease in

population has been used to support such contention. A very slight study of the history of Alaska will show that there is small foundation for the notion that government restrictions have retarded development in that Territory.

Aside from furs and fisheries Alaska's first great commercial stimulus came from the bonanza gold discovery in the Klondike in 1896. The principal route to the Yukon region was through American territory. The majority of the people who joined in the stampede across White Horse Pass were from the States. Naturally, they spent a great deal of money in Alaska as they went in and came out, and while the boom continued that part of Alaska, as well as Seattle, flourished.

The discovery of the rich gold regions at Nome resulted in a large placer mining population on the Seward Peninsula, while the discovery of the rich placers in the Fairbanks region in 1902 was followed by a stampede which made Valdez a great point of entry. As the yield of gold declined the population declined, and today Nome retains probably not more than 10 per cent of her former maximum population, while Fairbanks contains few more except that a small agricultural community has sprung up there. The decrease in the white population is due largely to the playing out of the mining industry, and not to restrictive regulations imposed by the Federal Government. We have many similar illustrations in the States; for example, Virginia City, Montana; Warren, Idaho; and Boise Basin. The camps at the latter point once boasted of a population of approximately 20,000. Today there are probably fewer than 500 people there. Between 1916 and 1919 the production of gold in Alaska dropped nearly 45 per cent and the labor employed in all forms of mining was reduced one-half. We must remember that up to the present time men have not usually gone to Alaska with the thought of making their homes there. The purpose has been to make a "stake" and get out.

We have now come to a time when economic conditions should bring about a gradual development of Alaskan industries with a corresponding increase in population. This development should be on a sound basis and not the result of temporary and reckless exploitation of public property.

The needs of Alaska would not be met by the enactment of this measure and the establishment of this Board. It would have local authority, but would lose all the advantages of specialization and direct personal responsibility which have so largely contributed to our national prosperity and success. Such ^{an} arrangement ^{would deprive}

the administrative officers of the Territory of the services of the great scientific organizations which the Federal Government maintains. It would disrupt the well laid plans for sound development.

Because of its remoteness from the seat of government the administration of governmental activities in Alaska should be upon a somewhat different basis than the administration in the States. This can be accomplished under congressional permission and through whole hearted cooperation. The way has been opened through the Interdepartmental Alaska Committee which was organized in December, 1920. If a similar organization should be established in the Territory by bringing together the representatives of the various departments, many of the difficulties of administration could be removed.

There is real need for Congressional legislation along certain lines. For example, the Department of Agriculture has asked of Congress authority to make sales of timber in Alaska up to a maximum of \$1,000 in value without the formality of thirty days advertisement. Such authority is needed to avoid exasperating delays and inconvenience.

The Department also has asked Congress for permission to turn over to the road and school funds 50 per cent of the receipts of the National Forests instead of but 25 per cent as at the present time. This additional revenue would be most helpful to the people of Alaska during the pioneer period.

More work should be done in properly mapping and estimating the timber in the National Forests of Alaska, and more data should be compiled with regard to the water powers tributary and available for the utilization of such timber. The Department has asked for additional funds to be used for this purpose. They are much needed.

The Homestead Law should be amended as it now applies to Alaska so that surface rights may be segregated from mineral rights. There are large areas in Alaska underlaid by lignite, some of them the best agricultural land in the Territory. If these areas were located in any of the States the homesteader would be allowed to file and secure surface patent, the coal bodies being reserved by the Federal Government. This provision has not been extended to Alaska, but it should be.

I am told that at the present time there is in Alaska a land seeker who claims to represent about one hundred residents of the Dakotas who wish to settle in Alaska if he reports favorably. Much of the available agricultural land in Alaska is underlain with coal and is classified as coal land. The one thing which is most likely to prevent

a favorable report is the fact that until the law with reference to homestead entries for lands classified as coal land is changed, title to the surface of the land can not be obtained. This proposed measure does not provide for a change in the law, and yet that is one change which would do much to stimulate permanent settlement in Alaska.

The Forest Service and Biological Survey have authority to grant permits for fox farms within the national forests and upon certain specific islands. Uniform regulations have been worked out to secure full harmony of action, but I understand that the Department of the Interior is without authority in law to issue comparable permits for the use of islands under its jurisdiction. Congress should grant such authority.

Because of the distance it is important that representatives of the Federal Government on the ground in Alaska should have the greatest possible authority consistent with the sound administration of Government affairs. The Department of Agriculture has recognized this and has granted such authority to its representatives in Alaska to the full practical limit of the authority granted the Department itself. Ninety per cent of the work of the national forests is handled locally without reference to the Department at Washington or elsewhere. Only in the case of questions of large importance involving heavy expenditures or investments, or new and untried plans or policies, do we require reference to the Department at Washington. This also applies to the work of the Biological Survey and to the management of the agricultural experiment stations. The work the department does for Alaska is mostly controlled by its representatives in Alaska, while from Washington we furnish technical advice and special assistance for limited periods, thus making available to Alaska the full knowledge of a department which has been said to be the greatest scientific Department of Agriculture in the world. The point I wish to make plain is that the widest possible latitude has been given to our Alaskan representatives in the conduct of their work.

The establishment of an Alaskan Development Board and the transfer to it of duties now performed by Government departments would not, in itself provide for the maintenance of work necessary to be done there. There would need to be built up a technical staff of experts to replace those now available in the departments which have to do with Alaskan affairs. Forestry, fur farming, the conservation and perpetuation of game, and the conduct of agricultural experiment station work each contains a great variety of highly technical problems which must be solved through scientific investigations and experiments conducted by trained technical experts. To deprive the people of Alaska of the benefit of the equipment and advice which they now obtain from the Government departments would be most unfair to them and would greatly retard the development of their industries.

So far as the Lacey Act and the Migratory Bird Treaty Act are concerned, these are National in scope and were enacted for the very reason that it was found that the States could not effectively perform the service which is maintained under these Acts of Congress. To cut out one Territory and place the enforcement of these acts in charge of a board separated from the administration of the acts in the rest of the country simply destroys National coherence in the administration of a treaty, impairs the effectiveness of enforcement, and increases the cost.

The land fur-bearing animals of the Territory forms one of its valuable natural resources which is being dangerously depleted in many districts and needs the careful guardianship which can be afforded only by their retention under the experienced supervision of the experts of the Biological Survey. The development of the fur-farming industry will reach large proportions if the Territory is properly directed. The transfers of duties relating to fur-bearing animals will not in itself secure the proper development of this important industry. The continued and successful growth of the fur-farming industry is dependent on technical investigations which are now being conducted by the Biological Survey in the United States as well as in Alaska.

The conservation of the game resources of Alaska is of the greatest importance. Game continues to be one of the primary food resources without which the prospecting and development of the more remote areas of the Territory would be difficult and sometimes impracticable. In many areas game has greatly decreased and is still decreasing. The services of the most expert scientific knowledge concerning game and its conservation such as is available in the Biological Survey is vital in insuring the perpetuation of this invaluable resource.

For the reasons stated it seems to me that the enactment of this measure would be highly prejudicial to national interest and to Alaskan interests as well. It would remove wholesome checks against the exploitation of our vast national resources and would deprive Alaska of the technical help of the Federal agencies which combine long experience and the best scientific knowledge in studying and developing specific natural resources.

The people of Alaska are entitled to the same sort of help from the Federal Government that has been so freely granted to all other States and territories. Further, because of their remoteness, they are entitled to have on the ground Federal representatives who are thoroughly familiar with Alaskan conditions and clothed with the power to act promptly. By creating an Alaskan Board composed of representatives placed there by each of the Federal agencies now active in the Territory and of one or two permanent residents of Alaska, every proper purpose sought to be accomplished by this measure could be brought about, without jeopardizing national and territorial interests.

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